

Message Text

UNCLASSIFIED

PAGE 01 ISTANB 02420 070754Z
ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-01
INR-10 NSAE-00 ICA-20 TRSE-00 XMB-04 OPIC-06
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-07
CEA-01 CTME-00 PA-02 L-03 H-02 /110 W
-----118773 070814Z /14

R 070645Z AUG 78
FM AMCONSUL ISTANBUL
TO SECSTATE WASHDC 230
INFO AMEMBASSY ANKARA
AMCONSUL IZMIR
AMCONSUL ADANA

UNCLAS ISTANBUL 2420

E.O. 11652: N/A
TAGS: ETRD, EINV, TU
SUBJ: FINANCE AND TRADE MINISTERS SPEAK TO ISTANBUL CHAMBER OF
COMMERCE

SUMMARY: BOTH FINANCE AND TRADE MINISTERS APPEARED BEFORE THE
ISTANBUL CHAMBER OF COMMERCE THIS WEEK TO EXPLAIN THE GOVERNMENT'S
PROGRAM ON EXPORT PROMOTION. THE TRADE MINISTER APPARENTLY MET
WITH A RECEPTIVE AUDIENCE AS HE HIGHLIGHTED THE GOVERNMENT'S MOST
RECENT MEASURES TO RELIEVE THE PLIGHT OF TURKEY'S IMPORTERS AND
INDUSTRIALISTS. OF THE MEASURES MENTIONED BY THE MINISTER, THE
ONLY NEW ONE WAS A PROMISE TO ENCOURAGE DUTY-FREE MANUFACTURING
FOR REEXPORT. END SUMMARY.

1. THE FOLLOWING IS BASED ON PRESS REPORTS AND CONVERSATIONS
WITH CHAMBER OF COMMERCE AND INDUSTRY OFFICIALS.

2. ON TUESDAY, FINANCE MINISTER MUEZZINOGLU MET WITH THE BOARDS
OF DIRECTORS OF THE CHAMBERS OF COMMERCE AND INDUSTRY.
FOLLOWING THE MEETING IN A PRESS CONFERENCE, THE MINISTER STATED
THAT HE ENCOURAGED THE LOCAL BUSINESSMEN TO FORMULATE WORTHWHILE
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 ISTANB 02420 070754Z

PROJECTS IN ORDER TO CONVINCE FOREIGN CAPITALISTS TO INVEST IN
TURKEY.

3. ON WEDNESDAY, THE MINISTER OF COMMERCE KOPRULULER MET
WITH A MUCH LARGER GROUP OF SOME 500 AT THE ISTANBUL CHAMBER
OF COMMERCE. IN HIS REMARKS, THE MINISTER MADE THE
FOLLOWING POINTS:

- HE EXPECTS A 30 PERCENT INCREASE IN TURKEY'S EXPORTS FOR THE WHOLE OF 1978;

- THE GOVERNMENT NOW ENCOURAGES BUSINESSMEN TO SUBMIT REQUESTS FOR APPROVAL OF DUTY-FREE MANUFACTURING PROJECTS FOR REEXPORT ("FASON IMALATI" IN TURKISH).

- THE CENTRAL BANK HAS CONTRIBUTED \$13 MILLION TO THE EXPORT PROMOTION FUND (NOTE: FULFILLING PREVIOUS COMMITMENT).

- EXPORTERS WHO NOW HAVE THE RIGHT TO THE EQUIVALENT OF 25 PERCENT OF THE VALUE OF THEIR EXPORTS FROM IMPORTS OF RAW MATERIALS WILL HAVE THEIR REQUESTS EXPEDITED BY THE GOVERNMENT.

- ACCEPTANCE CREDIT FINANCING WILL ALSO BE FACILITATED BY THE GOVERNMENT.

- FOR THE TIME BEING AT LEAST, THE GOVERNMENT HOPES THAT TURKISH EXPORTERS WOULD ACCEPT SOMEWHAT LOWER PROFIT MARGINS (NOTE: A REFERENCE TO BOTH THE HIGH PROFITS MADE ON THE LOCAL MARKET AND TURKEY'S INABILITY TO COMPETE IN WESTERN EUROPE).

4. ACCORDING TO HURRIYET NEWSPAPER (MODERATE, MASS-CIRCULATION), BUSINESSMEN IN RETURN MADE THE FOLLOWING UNCLASSIFIED

UNCLASSIFIED

PAGE 03 ISTANB 02420 070754Z

REQUESTS TO MINISTER: GOVERNMENT EXPORT INSURANCE; MARKETS BE OPENED IN AFRICA, MIDDLE EAST AND SOCIALIST COUNTRIES; STATE ECONOMIC ENTERPRISES SUPPLYING RAW MATERIALS DO SO IN A TIMELY FASHION; TRADE IN IRON NOT BE NATIONALIZED; EXPORT OF FRESH FRUITS AND DAIRY PRODUCTS BE FACILITATED BY NEW TRANSPORTATION AGREEMENTS; AND GENERALLY MORE EFFICIENT GOVERNMENT EFFORTS IN THE AREA OF EXPORT PROMOTION.

5. ACCORDING TO LOCAL CHAMBER OF INDUSTRY OFFICIAL, DUTY-FREE MANUFACTURING FOR REEXPORT HAS BEEN PERMITTED IN TURKEY FOR SEVERAL YEARS, BUT THE GOVERNMENT HAS APPROVED VERY FEW REQUESTS (ONLY ABOUT ONE OUT OF EVERY 10 WAS BEING OKD). UNDER THIS SYSTEM, A TURKISH FIRM WOULD RECEIVE RAW OR SEMI-FINISHED MATERIALS FROM ABROAD, PROCESS THEM, AND EXPORT A FINISHED OR SEMI-FINISHED PRODUCT TO AN OVERSEAS FIRM (EITHER MANUFACTURING OR DISTRIBUTION OUTLET). THE PRINCIPAL GAIN FOR TURKEY IS THAT THE VALUE ADDED TO THE PROCESSED PRODUCT COVERS THE COST OF THE LABOR AND MACHINERY INVOLVED; BUT TURKEY LOSES BY NOT BEING ABLE TO MARKET FINISHED PRODUCT ITSELF.

6. COMMENT: WHILE LITTLE NEW WAS DISCLOSED BY EITHER MINISTER, THEIR COMBINED EFFORTS REPRESENTED A SERIOUS PUBLIC RELATIONS

EFFORT TO SELL THE GOVERNMENT'S TRADE PROGRAM TO THE LOCAL
BUSINESS COMMUNITY.
HOUGHTON

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCE, TRADE, SPEAKERS, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Draft Date: 07 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978ISTANB02420
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780322-0677
Format: TEL
From: ISTANBUL
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780893/aaaaczri.tel
Line Count: 119
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: de6d1d68-c288-dd11-92da-001cc4696bcc
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1822240
Secure: OPEN
Status: NATIVE
Subject: FINANCE AND TRADE MINISTERS SPEAK TO ISTANBUL CHAMBER OF COMMERCE SUMMARY: BOTH FINANCE AND TRADE MINISTERS APPEARED
TAGS: ETRD, EINV, TU, (KOPRULULER), (MUEZZINOGLU)
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/de6d1d68-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014